

University of Montana ScholarWorks at University of Montana

Max S. Baucus Speeches

Archives and Special Collections

11-19-1987

Billings Chamber of Commerce

Max S. Baucus

Let us know how access to this document benefits you.

Follow this and additional works at: https://scholarworks.umt.edu/baucus_speeches

Recommended Citation

Baucus, Max S., "Billings Chamber of Commerce" (November 19, 1987). *Max S. Baucus Speeches*. 397.
https://scholarworks.umt.edu/baucus_speeches/397

This Speech is brought to you for free and open access by the Archives and Special Collections at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

Printing, Graphics & Direct Mail
ONBASE SYSTEM
Indexing Form

Senator * or Department*: **BAUCUS**

Instructions:

Prepare one form for insertion at the beginning of each record series.

Prepare and insert additional forms at points that you want to index.

For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: **Speeches & Remarks**

MONTH/YEAR of Records*: **November-1987**

(Example: JANUARY-2003)

(1) Subject*: **Economy**

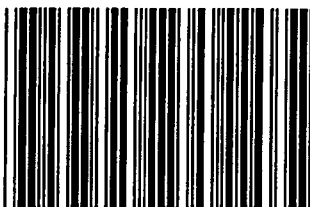
(select subject from controlled vocabulary, if your office has one)

(2) Subject* **Montana Economic Development, Billings Chamber of Commerce**

DOCUMENT DATE*: **11/19/1987**

(Example: 01/12/1966)

* "required information"



BAUCUS

11/19/87

BILLINGS CHAMBER OF COMMERCE

Thank you for inviting me to speak tonight. Chuck (erringer) and Jim (Scott) are fortunate to have such a group of dedicated Montanans with which to work. Chuck, you're leaving the Chamber in good hands. Jim has come out of the blocks at full clip, and I'm looking forward to working with him, and this group, in the future.

I'm also honored to share the stage with Bill Tietz. No one knows better than Bill the challenges facing Montana today and that education is the key to our success.

I came tonight -- and missed votes today -- because I believe it's critical that we in Billings, in our entire state, and in America finally begin to get serious, stop talking, and start acting to get America's economic house in order.

We all know what happened here at home ---
how the change in the world economy has hurt
Montana. I won't belabor the obvious.

We also all know that these problems beset
not only Montana but also neighboring states.
America today is a swiss cheese economy, with
bright spots on the East and West coast but holes
in the interior. Natural resource states such as
ours are being left behind.

Economic forces many miles from the mountains
and plains of our state effect Montana's economic
fate.

Decisions that directly affect our lives are
being made not only in New York and Washington,
but in Tokyo, Bonn, Seoul, and Moscow as well.

Much of our future does not rest entirely in
the hands of you and me, our families and friends;
it's dramatically effected by the whims and plans
of people we do not know, and in most cases people
we do not vote for.

We also know that our country has been living on borrowed time. We've doubled our national debt in 6 years. The accumulated deficit in the last 6 years is equal to the total of all of our yearly accumulated deficits from the birth of our country to 1981.

That's right, doubled -- from \$1 trillion to \$2.3 trillion in the last seven years. We are a staggering net debtor, owing more to foreigners than do the so called basket cases of third world debtor countries combined. We have become debt junkies.

The annual deficit fix has us so addicted to debt that outsiders -- foreign creditors who hold our debt -- are threatening to call in the loan unless we get our act together.

Worse yet, this generation is leaving a legacy of debt so great it's becoming certain that our children will have a standard of living that is lower than ours.

It is clear that the economic problems of Billings, of Montana, of our neighboring states, and of the nation are intertwined. Our fate is becoming more interdependent upon each other.

It is equally clear that we can meet this economic challenge, only with hard work, persistence, good faith and above all, cooperation.

We are in this boat together. As Benjamin Franklin said at the signing of the Declaration of Independence, "we must all hang together, or assuredly we shall all hang separately"

What can we do together?

First, it's important to recognize the good news. Montana's resource industries are showing renewed strength.

Beef prices are at the highest levels of the decade. Copper is over \$1 per pound, a price many thought they'd never see.

We had a record wheat harvest this year; and the Soviets have just made a significant purchase of Montana wheat.

And oil prices, while not at the levels we would like, are showing signs of underlying strength.

Second, it's critical that we Montanans remember our strengths.

We have one of the best, most highly educated workforces in America

We live in a state of beauty unsurpassed in the lower 48; Montanans -- in good times and bad -- know that they enjoy a quality of life many Americans never will.

We have vast natural resources -- resources that have built this state and will continue to play a major role in its future.

Billings has an excellent airport and the best air service in the state, and a dynamic business community.

We've also learned a lot -- about ourselves, about our state's potential and about what must be done to move Montana forward.

For example, U.S. West did not choose Montana as the site for its new \$xx million research and development facility. That is exactly the kind of new technology business we want more of in Montana. It's clean, it will grow, and it will benefit the entire state, not just the host community.

We didn't land the U.S. West project. But we learned a few important lessons in trying, and that's good.

We learned that statewide cooperation is critical. U.S. West Chief Executive Officer Jack MacAllister personally told me how impressed he was that Montana settled on one site.

No other state could agree on a single site; Montanans stood together, and U.S. West took notice.

We learned that our state's enthusiasm was very contagious. U.S. West was so impressed with the attention and cooperation we were giving them that I'm convinced that U.S. West came close to coming to Bozeman

We also learned that Colorado won primarily because its university graduate programs better fitted US West's needs -- they better fitted the needs of a company of the future. We must learn from that.

The obvious lesson: the quality of our state higher education counts.

In fighting for the U.S. West project we learned that adequate air service, or lack of it, makes a big difference. Make no mistake about it. Air service is a crucial ingredient for attracting new businesses to Montana.

In many conversations with the U.S. West site selection team, it became clear they were concerned about quick daily service in and out of our state.

And we learned that our congressional delegation, as well as educators, businessmen and public officials could work together on a project important to Montana.

It was the first effort of its kind; it should serve as a model for future cooperative efforts.

Well, what do we do with what we've learned?

Most importantly, we need to follow up on what we've learned -- we must build on our experience. Business & public servants can certainly follow up and develop efforts already underway to move Montana forward.

We're already beginning to strengthen air service. Congress is going to extend the

Essential Air Service program, which maintains air service to seven Montana communities.

I've met with several CEO's of major airlines, asking them to come to Montana. Other states fight for better air service; we're going to have to do the same.

And action is being taken in Washington to learn full how airline deregulation has hurt America's heartland, and what we can do to turn this problem around. We cannot let Montana's state capitol go without jet service while people fly coast to coast at bargain rates.

We're working on strengthen our education system. President Tietz has shown leadership in this area. I think we should focus more resources on Bozeman to make it Montana's hotbed of high technology development.

And all of us -- business and political leaders, need to focus more on improving and supporting our education system. That kind of public commitment is vital.

We need to follow up on tax reform in the state. We've modified our states unitary tax, and that's good. There is more we can do more to achieve a more balanced state tax plan, but at least we're making progress. The goal is to make Montana more attractive to business and more competitive.

We need to follow up on the new ideas that are taking root in Montana industry. Our traditional industries are branching out into new areas. We're shipping Montana beef to Japan...there a vast potential there for greater exports. And not only to Japan, but to the whole pacific rim.

Rocky Mountain homes studied the Japanese market and is now exporting log cabins. That is a prime example of "value added processing" of a traditional Montana product, timber. Value added processing is how we can transform Montana's vast natural resources into a vast new market.

One of America's greatest hidden strengths is the skill and resourcefulness of our

entrepreneurial economy. We need more of them here in Montana. Many entrepreneurs are coming to and prospering in Montana. We need to find more companies like Mt. Silversmith in Columbus -- a firm that could prosper anywhere, but we're glad it's in Montana.

We need to work together to attract those kind of businesses to Montana -- and that will take hustle from all of us, from the Governor on down.

There is also strength in numbers. We can work together as a region, as well as a state. The Northwest has many common interests, common problems and common goals.

Recently business and civic leaders from five states -- Montana, Washington, Oregon, Alaska, and Idaho -- gathered in Spokane to kick off the creation of the Northwest Business Coalition.

Several of my northwestern Senate colleagues and I spoke with the group via a satellite teleconference.

15

Jim Scott was in Spokane and can tell you how the meetings went. It's clear that our region has many attributes that can work to Montana's advantage.

I have seen a similar group -- the Northeast/Midwest coalition -- which is composed of Congressmen and women from that region of the country. From my experience, they have been successful in seizing opportunities that help their region. I think that Northwest Business Coalition can go a long way in doing the same thing -- helping people work together.

But else can be done? First, We need to continually broaden our view of the economic horizon. Montana must diversify. We need to get out to other states and parts of the country and learn. See how other states are developing, testing out new ideas.

Just as the Japanese leaders combed the world after World War II, adopting the best ideas and discarding the worse, we too have to learn more.

16

Both businessmen and public servants must do this.

I've spend many hours talking with Senators, who as former governors of their states, explained how they got out and successfully hustled for their state.....so much so that they spent as much time on the road as at home. Senator Fritz Hollings is the best example. He really went to bat for South Carolina, and just look at how well his state is doing today.

We need to turn Montana into one big team with each city a specialized player on the overall economic game plan --- Bozeman for high technology; Billings for energy, the Super-collider and transportation; Missoula for the Mansfield Foundation, education, and our gateway to the pacific rim.

All of our communities need to work with each other while at the same time focusing more effort and resources on what each does best. They must build on their strengths.

We also must get more aggressive. I'm still very impressed with how Governor Janklow of South Dakota repeatedly gets businessmen to come or stay in South Dakota. It's that extra attention that counts.

Our next Governor will be leading Montana at a critical time. The America economy is changing fast, and we will need strong and aggressive leadership at the helm in Montana.

Montana needs a strategic plan; a vision for the future. A blueprint on where we want to go economically, on how to improve our tax system, and on how to build our state's infrastructure -- transportation, communication, services. That's what new businesses are most interested in -- developing a long term relationship with a state that has an idea where it wants to go.

Our congressional delegation can work more closely with each other and with the Governor as well. If we worked together, set priorities, and all five of us made that telephone call -- to that businessman, entrepreneur, CEO -- and not just

once or twice, but however many times it takes, I guarantee Montana will reap hugh benefits.

In short, working together as a delegation, a community, a state, a region and a nation is essential to our future prosperity.

And in Washington, we must work together now more than ever.

We are facing staggering economic challenges -- the greatest test of this nation's leadership and people since World War II.

The budget and trade deficits will sap the strength and resolve of this nation if left unchecked.

Unfortunately, the stock market crash has not resulted in a crash course in deficit reduction. The signal from Wall Street has not been translated into political will to make tough decisions.

The automatic deficit cuts mandated by the Gramm-Rudman law -- \$23 billion in cuts -- will take effect tomorrow. The President and Congress are still deadlocked.

I think everything should be on the table now -- everything!

And I stated on the floor of the Senate on Tuesday -- as I have throughout Montana -- we should freeze ALL federal spending for one year. A straight, across-the-board, fair freeze of spending.

Democrats and Republicans must bury the hatchet in our effort to reduce the deficit, because if we don't it will surely bury us.

The crisis is very real. Payments on the federal debt -- \$136 billion in 1986 -- are now equivalent to the total taxpayer savings originally projected from the 1981 income-tax cut.

Entitlements have grown from \$200 billion in 1979 to \$400 billion in 1986. Twenty years ago

they were \$46 billion, one tenth of what they are today.

We Americans are consuming more than we produce, much more. And the difference is being funded by foreigners --- a bill that will come due painfully, and soon.

U.S. consumption per worker has risen by \$3,100 over the current decade. Only \$950 of that has been paid for by growth in what each of us produces.

As Pete Peterson points out in a recent article in the Atlantic Monthly, in six years the United States has burned up more than \$500 billion, net, by liquidating our foreign assets and by borrowing from abroad. That is an immense flow of capital, even in global terms.

We must work on the problem together -- as a state, as a region, as a country, as a people. Prosperity is not going to happen overnight. Japan didn't become an economic power in a day, a week or a year. It took a long-term commitment to

prudent economic goals -- goals such as an increased savings rate, and more investment in infrastructure, R&D and education.

We have a formula for success here in Montana. Its in this room here, and all across our state. It is our people. I really believe that, and history proves that when people work together, great things happen.

We will work together in Montana. We must, we can. But more important, deep down, I think we really want to.